

1 SENATE BILL NO. 20

2 INTRODUCED BY D. RYAN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE GENERAL FUND SHORTFALL IN REVENUE BY
5 REQUIRING A REDUCTION IN CURRENT YEAR DIRECT STATE AID FOR A SCHOOL DISTRICT THAT
6 SPENT LESS THAN ITS BASE BUDGET IN THE PREVIOUS YEAR; PROVIDING THAT THE REDUCTION
7 IN DIRECT STATE AID MUST BE EQUIVALENT TO THE DIFFERENCE BETWEEN THE DISTRICT'S PRIOR
8 YEAR BASE BUDGET AND ITS PRIOR YEAR GENERAL FUND EXPENDITURES; AND PROVIDING AN
9 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 NEW SECTION. **Section 1. Direct state aid reduction.** For a school district that spent less than its
14 BASE budget in the previous year, the district's direct state aid for the current year must be reduced by an
15 amount equal to the difference between the district's prior year BASE budget and its prior year general fund
16 expenditures.

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18 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
19 integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [section 1].

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21 NEW SECTION. **Section 3. Effective date -- retroactive applicability.** [This act] is effective on
22 passage and approval and applies retroactively, within the meaning of 1-2-109, to the school fiscal year
23 beginning July 1, 2002.

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